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INFORMATIONAL NOTICE

DATE: April 21, 2006

TO: Enrolled Medical Providers

RE: National Provider Identifier (NPI) Implementation

The purpose of this notice is to provide preliminary information on the department's implementation of the National Provider Identifier (NPI). The department strongly encourages providers to begin the process of obtaining an NPI.

Federal NPI Regulations

Under the final HIPAA National Provider Identifier (NPI) Rule, all individual and organization covered providers will be required to obtain an NPI by May 23, 2007. All health care providers, as defined in *45 CFR 160.103*, are eligible to obtain an NPI. Entities that do not provide health care (e.g., non-emergency transportation services) are not required to obtain a NPI because they do not meet the definition of "health care provider" and are not subject to HIPAA regulations.

The NPI final rule states that only one (1) NPI will be issued to health care providers who are individual human beings: physicians, nurses, dentists, chiropractors, pharmacists, and physical therapists, among others. Multiple NPIs can be issued for organizations such as: hospitals, renal dialysis, hospice, ambulatory surgical treatment centers, alcohol substance abuse, home health agencies, clinics, nursing homes, supportive living facilities, laboratories, ambulance companies, group practices, suppliers (who deal in durable medical equipment, supplies related to healthcare, prosthetics and orthotics) and pharmacies.

When applying for your NPI, the Centers for Medicare and Medicaid Services (CMS) urges you to include your legacy identifiers, not only for Medicare but also for all payers. If reporting a Medicaid number, include the associated State name. This information is critical for payers in the development of crosswalks to aid in the transition to the NPI.

Information on NPIs, including how to apply, can be found on the CMS Web site at:
<http://www.cms.hhs.gov/NationalProvIdentStand/>

Implementation of NPIs by HFS

The NPI will replace all other identifiers assigned to health care providers, such as the provider numbers assigned by the Department of Healthcare and Family Services (HFS). HFS will require the NPI for all electronic, direct data entry, and hard copy claim submittals beginning with **claim submissions on or after May 23, 2007**.

To ensure that Medicaid providers do not experience denial of claims or delays in Medicaid claims processing, once the NPI requirement is implemented, providers should request a unique NPI for each HFS provider number. The federal regulations allow an organization health care provider to designate "subparts" as is necessary to appropriately identify the various components of their organization. HFS recommends that a NPI be requested for each "subpart" of an organization if it has a separate HFS provider number.

The department allows providers the opportunity to designate multiple payees. With the implementation of the NPI, providers will be required to request a NPI for their designated payee(s).

Providers will be required to report their NPIs to the department prior to billing with their NPI. To facilitate the reporting of NPIs, HFS will have the capability of collecting NPIs through a Web Based Application in the near future. Additional information regarding this Web Based Application, as well as specific billing instructions regarding the NPI requirements, both for hard copy and electronic claims, will be released as it becomes available.

Your participation in our programs is greatly appreciated.

A handwritten signature in dark ink, reading "Anne Marie Murphy" with a stylized flourish at the end.

Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs